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him, and after the war, if he can be seized, he should be put on trial. As a lawyer, I am convinced that under the laws of this country, it would be the duty of a jury, if these facts be proved, to find him guilty. I cannot think that in the contingency which may occur — that there may be other wars — there will be any more mercy shown, unless there shall be some condign punishment for the crimes committed in this.

That, gentlemen, is the point I desire to make, because I want to emphasize that it is not for retribution that such acts of justice are undertaken by a government. Retribution, in a proper sense, is in the hands of the Almighty. The object of human punishment, as I see it, is to prevent, as far as we can, the commission of such offenses in the future. Certainly human justice is very inadequate if, when crimes are flagrantly committed, without excuse and without justification, some attempt, at least, is not made to punish offenders as a warning to future evildoers.

(Mr. Wheeler thereupon resumed the Chair.)

The CHAIRMAN. If there is no further discussion upon the subject of Mr. Hyde's paper, we will take up the next branch of our program this morning, "Some Economic Aspects of International Organization," and on that subject we will have the pleasure of hearing from Mr. Lester H. Woolsey. That is a great name in international law, and it is always a pleasure to hear from a Woolsey on international law.

SOME ECONOMIC CONSIDERATIONS OF INTERNATIONAL ORGANIZATION

ADDRESS BY LESTER H. WOOLSEY,

Solicitor for the Department of State

On account of my connection with the Department of State, it is appropriate that I should have assigned to me a colorless topic relating to the economics of international relations, for in discussing this subject, I shall not be expected to throw any light, even if I could, upon the intricacies of the relations of the United States with the belligerent Powers during the last thirty months. I had intended to study in some detail the effects of the present war upon the economic relations of states, particularly the effects of the blockade measures of the opposing belligerents. But, owing to the pressure of my duties in the State Department, particularly during the last few months, in the course of which the United States was steadily progressing to the state of war declared on April 6th, I have been unable to

make the studies I had planned, and on that account I fear that anything I shall have to present will be trite and commonplace. That being so, I shall be brief and confine myself to the merest suggestions.

We shall listen to learned discussions of the organization of the nations of the globe with the general object of working out a system of international government which should have for its chief purpose the maintenance of the peace of the world. Plans for the division of such organization into legislative, executive, and judicial branches will be fully set forth. My purpose is merely to emphasize the importance of considering, in connection with any such international government, the material facts relating to the geographical conditions, the characteristics of the peoples, and the resources and industries of the various nations.

As to geographical relations of the nations, it is scarcely necessary to point out that a few nations are entirely land-locked, that others are almost surrounded by adjacent states, that others have no winter seaports, and that others are wholly or largely surrounded by seas. There is every gradation of geographical position. Depending to some extent upon this condition, some nations have acquired sea-power, while others have lost control of the seas or have never aspired to sea power. For example, Great Britain has gained control of the seas against Spain, Holland, and other countries, and is at this moment fighting for supremacy on the ocean against the submarines of her enemies, which have made untold ravages on her merchant marine as well as the merchant marines of neutral countries and on the total food supplies of the world. Switzerland, Servia, Bolivia, and Paraguay, of course, have no front upon the sea, and so have no navy to speak of, notwithstanding the report that our Government, during the Pan-American Exposition, invited Switzerland to take part in the naval ceremonies in commemoration of the opening of the Panama Canal.

Again, the differences in the geographical positions of States inevitably have their effect on international law. It is difficult to formulate rules of international law for nations so differently situated, or when formulated to apply those rules so as to work out justice and equity in the relations of states. Perhaps no better illustration of this can be found in the present war than the application to Germany of the old established rule of blockade of coastal ports. The nations had agreed that a belligerent could only blockade the coasts and ports of his enemy. There were no stronger proponents of this rule than some of the naval Powers engaged in the present struggle. Yet it is obvious that the rule could not be equitably applied to the United Kingdom, surrounded by the seas, and to Germany,

bounded by several adjacent neutral countries through which commerce could filter regardless of a blockade of her small seacoast. To meet such situations the doctrine of continuous voyages has been advanced and enforced. It may be queried whether a principle of international organization any more than a rule of international law which does not take into account differences of geographical position will stand the stress of bitter controversy engendered by the inequalities of the operation of such a principle.

While it is an axiom that all independent sovereign states are equal before the law of nations, it is equally true that there are very great differences between the states in respect to wealth, power, and influence. Great Britain and Turkey may be equal before the Hague Tribunal, but commercially, in time of peace or as efficient belligerents in the present war, the two nations are hardly comparable. The development of the two peoples, of their governmental systems and their national resources, has been strikingly different. These are merely illustrations of the great difference in the degree of civilization which has been attained by the peoples of the globe. There are, to speak in barometric terms, areas of "high pressure" civilization interspersed over the globe with areas of "low pressure" civilization. As has been pointed out by Ellsworth Huntington, there are at the present time five "high" areas, one corresponding roughly to the United States north of Mason and Dixon's line, another to the British Isles and Central Europe, a part of Italy and the Baltic coasts, the third to Japan, the fourth to New Zealand and Southeast Australia, and the fifth to the southern extremity of South America. It has been suggested that these areas correspond to peculiar climatic conditions — conditions which may be described as a rapid succession of moderately high and low temperatures between about 30° and 70° F. It is thought that such temperature changes stimulate the mental and physical activity of people and have great effect upon their position in the scale of civilization; and that, therefore, no countries with warm, equable climates, with but very slight successive changes in temperature, can attain the same power and influence in the progress of civilization as countries situated in harsher climates. Thus, other things being equal, it is possible to conclude (though perhaps from insufficient data) that certain countries, for example, those bordering on the torrid zone, will always rank in the lowest class of nations, and as such will be subject to the dominating influence of their stronger neighbors. If this theory is correct, it opens the way for the formulation of an international organization which will give due consideration to certain nations unfavorably situated as to climatic conditions.

In the present age of rapid transit and facility of communication, it is impossible for a nation to live unto itself alone. Transportation and communication have not only forced upon nations personal contact between their respective peoples, but have made nations dependent upon each other for supplies. To such an extent has this interdependence grown that it would be difficult for any nation long to survive if it were cut off from communication with other countries. On this account the application of the principles of blockade and contraband in the present day is a stronger means of bringing an enemy to terms than it was two centuries ago and a more efficient weapon than the greatest armies in the field. Indeed, the commercial isolation of an offensive state has been advocated as a substitute for war. The effect of such isolation was brought home to the United States by the embargo acts which were passed in the early part of the last century. In these circumstances it would seem important in any international organization to consider, aside from the disposition of the naval forces of the organization, the fundamental trade relations of the various countries of the globe. The importance of this matter cannot, perhaps, be overstated. In the last century the expansion of commerce was at the bottom of almost every great international controversy that had taken place. Even the avarice for territory was largely founded on the theory of greater wealth through increased trade. Whatever political alliances have been made; whatever treaties have been negotiated; whatever trade agreements have been concluded; whatever tariff and customs schedules have been set up, have been short-lived unless they have taken into consideration the great currents of international trade that are flowing from one country to another. Nations may endeavor to divert these currents, or to stem their tide by artificial customs barriers, trade agreements, economic alliances, etc., but in the end these are swept aside by the mere pressure of national interdependence. My idea is that no solid foundation of international organization in the field of politics can hope for success unless the fundamental elements of trade are taken into account. A paper organization will not accomplish the purpose in view. The fact, for example, that the great bulk of sulphur comes from Spain and Italy, nitrate from Chile, potash from Germany, tin and nickel from the British Colonies, platinum from Russia, phosphate rock from the United States and North Africa, cotton from the United States, rubber from South America and Africa, emery from Greece, wolfram from Portugal, not to mention the great sources of the food supplies of the world, should be taken into consideration. International coöperation for the supply of these and other essential materials should form a feature of any proposed interna-

tional government; otherwise the organization may fall because of controversies arising out of the selfish use or control of one or more commodities over which one nation has practically a monopoly. An equitable arrangement for freedom of international trade, at least in respect to monopolistic commodities, would at one stroke not only allay many international suspicions and ambitions, but destroy the source of most international disputes and conflicts.

THE CHAIRMAN. Before I call for speakers, I may complete what we already have well begun, by reading to you the telegram that has been sent to the Cuban Society of International Law at Havana:

American Society at eleventh annual meeting gratefully acknowledges and fully reciprocates heartiest greetings and best wishes to Cuban Society of International Law, and rejoices that the two republics are allied in defense, as the two International Law Societies thereof are united in the study and development of a law of nations, based wholly upon enlightened principles of justice.

(Signed) Elihu Root, President.

The subject of the paper of Mr. Woolsey, "Some Economic Aspects of International Organization," is open for discussion.

Professor PHILIP MARSHALL BROWN. Mr. Chairman, I would like to ask the privilege of saying a word on the subject. It has loomed very big in my mind in recent months, particularly since the meeting of the representatives of the Allies in Paris. The announced intention of the Entente Allies to engage in a form of economic warfare against Germany at the end of this war ought to arouse, it seems to me, feelings of grave alarm in the minds of all true lovers of world peace; and Mr. Woolsey's paper seems to be most suggestive in this connection. He has certainly drawn our attention to what seems to be a fundamental principle: that nations must coöperate economically or you cannot have the basis of harmony and good neighborhood. It seems to me we are wasting our time in discussing some of the basic fundamental principles of international law, such as of sovereignty and equality and independence, and that we would do well to center our attention on other basic principles of international law which have loomed very big in this war: first, the right of men to group together in independent nationalities, according to their own preferences; second, the right of men to govern themselves on a democratic basis; and third, freedom of trade.

I have just been reading Mr. Weyl's most interesting book on *America's World Policy*. He there demonstrates in a most interesting manner

the danger of friction between nations over such questions as trade monopolies, and particularly in reference to commerce. I am aware personally that the logic of this argument goes very far, and in a very radical sense. There are many of us perhaps who have been protectionists, but it seems to me we must in an open-minded way recognize that the peace and harmony of the nations cannot be facilitated by trade warfare, but a great deal of ill will and a great deal of distrust between nations have been aroused by this basic question of trade and commerce. I recognize also that no nation wishes to expose itself to the danger — to what seems to be a real danger — at the close of a war like this, of “dumping” and of having its markets exposed to the products of cheap labor. It may be that nations will have, for some time, to resort to measures of self-defense in the way of tariff barriers; but still it seems to me that the implication of this argument is very clear, — that nations are bound to come to agreements sooner or later on the question of freedom of trade. Perhaps a happier expression would be the regulation of the freedom of trade. But that means ultimately an understanding regarding the basic question of production and distribution.

You may say that that is socialism. It may be, but that can have no terrors to anyone if the argument itself is sound. May we not hope, and may we not look forward to what Mr. Woolsey has suggested, the time when there will be such coöperation between the nations that they will come to an understanding on this very basic question as to raw products, their production and their distribution?

I cannot emphasize too strongly, in my own mind, the immense importance of this phase of our international relations. How can we expect to lay the basis of durable peace, if we cannot agree on such fundamental questions as the necessities of life?

THE CHAIRMAN. The subject is still open for discussion.

Admiral COLBY M. CHESTER. Mr. Chairman, I would like to say a word on that question. As Mr. Brown knows, I was engaged at one time in carrying on a war against Germany for two years, under the distinguished president of this society, and I feel very keenly that we are suggesting an organization for the future that does not conform to Mr. Blaine's idea of reciprocity. Reciprocity between all nations is the only way we can carry on our trade. Our trade is dependent upon our own resources; and the States of our Union were indeed bound together by the first act of war that was ever declared in this country, to assist each other in supporting their trade as well as their sovereignty, and it behooves us, I think, not to start any plans for forming an alliance between any people in

the world against any other people which may interfere with reciprocity between nations, and so hurt us in the end. We have as much interest at stake as any other nation, and it is necessary for us to be guided by the fundamental principles of our Constitution, which says that our trade is the means which gives us our security and happiness. It is through our trade that we shall be able to progress in the future, and I look with abhorrence on any idea that we shall form leagues to prevent our trading with any other nation in the world.

MR. CHARLES NOBLE GREGORY. I want to express the belief that trade does not benefit one side only and injure the other; that, on the other hand, all trade conducted by persons of ordinary intelligence and self-interest benefits both parties, and that, therefore, limitations upon trade are to be avoided unless the gravest and most overwhelming reasons are shown for such limitations. I want to say further that I am unable to recall any war, except possibly against some inferior and semibarbarous or barbarous country, which was occasioned by rivalries in trade. I would recall the further fact, which I think we must admit is the great example of liberalism in trade, that the great nation which has kept open ports is in the midst of the present great war, and that a policy of absolute liberalism as to foreign trade has not saved Great Britain from every reproach aimed at her by those opposed to her, upon that very subject, and from all the horrors of the present war. Therefore, I am not at all convinced that this matter of trade rivalry is the secret of modern war, or that a policy of freedom of trade will enable any nation to avoid it; and the striking, and to my mind, overwhelming, argument is that the one nation which has adopted on a great scale and pursued for over half a century the policy of substantial free trade, has not avoided the present war.

MR. DENYS P. MYERS. Mr. Woolsey mentioned the areas of low pressure throughout the world. It seems to me that a word more might be said on those areas. Economic organization has two aspects. It is both economic and political, and in the past the politics of it have invariably centered around those areas of low pressure. We have a situation like this: the areas of high pressure — take the United States for instance — invent an automobile which requires rubber for its tires. Now, it so happens that the rubber grows in areas of low pressure, and the native down there wears the fig leaf and gets his meal by catching bananas in his mouth as they fall off the tree, or something almost as simple, and he knows nothing about the discipline that comes from the life that we ordinarily live based upon rendering service for money, which we can turn

into food and clothing and housing and all of the things that make up our civilized lives. The problem in the past has been to get those raw materials from the areas of low pressure, which are demanded in the areas of high pressure, and to get them under proper conditions. Around that problem there has been a great deal of what is called "international politics." The struggle for Morocco is an example, and the opening up of Africa was really based upon that desire. As Senator Root was saying last night, the principle of autocracy is one of control. We might say that the principle of democracy is one of administration rather than of control, but in the past there has been a great deal of the principle of autocracy in international politics. We have not been satisfied with getting our rubber from a single concern in Africa or South America; we wanted to control it. That has been natural from the point of view of autocratic international politics. Democratically, there is little reason for caring who owns the district where the thing is produced, providing we can get it. That is a problem which is going to arise in the future. It must be solved, because we are going to demand those products, and I believe that it can be solved, if it is clearly recognized that the problem is one of not who owns the territory, but of what use is made of it. As I see it, one of the reasons for the successful solution of that lies in the fact that the winners of the present war are going to be those countries that are democratically organized, and their interest will not be merely to paint a particular territory their color on the map, but to use it for the benefit of all; for, fundamentally, of course, democracy is the use of everything for the benefit of all.

Professor GEORGE G. WILSON. The matter which Mr. Woolsey was bringing out, the economic aspects of international organization, must necessarily bear a very important relationship to the conduct of the United States in immediately ensuing years. Formerly, we could rely upon our isolation for such a degree of freedom of conduct as we might see fit. At the present time, however, having become the leading exporting nation of the world, and at the period before the war the third importing nation in the world, what we do, and what our attitude in regard to these matters may be, is not a subject of indifference to the rest of the world. We further have the very great good fortune to live in a territory ideally situated, as defined in the paper of Mr. Woolsey, in the temperate zone, extending from one ocean to another, and touching pretty nearly all parts of the world in its range, so that when it is noon here in Washington, it is one o'clock the following morning in Manila, and with such a range, from east to west and north to south, we get products which enable us to supply a

large part of the world, and lead in wheat, silver, coal, and iron, and so forth, the general doctrine being that the country that controls the coal and iron controls a very large factor of the world's work. Therefore, we must begin to regard these things as a basis for an actual constructive program in international relationship. We cannot neglect our economic relationship, as Mr. Woolsey has very well pointed out.

Added to that fact, we have a coast line, if we run into the three-mile limit, of about 45,000 miles that has some of the very best ports of the world. There is something to protect. Therefore, if the navy is the first line of defense, and we propose to protect ourselves, we must be adequately prepared.

Further than that, we have a standard of living which, according to a recent Japanese estimate, would allow about a billion more population in the world before it became uncomfortable. This same Japanese statistician, apparently estimating with impartiality, said that, according to the German standard of living, the world would accommodate about five billion more of population; according to the Japanese standard of living, it would accommodate something like twenty-two billion more. Now, the standards of living determine somewhat the attitude of one people towards another, and if we propose to maintain the American standards of living, on American territory, it is time the United States began to consider by what means these shall be maintained.

The CHAIRMAN. Is there anyone else who has anything to offer on this important subject?

Professor PHILIP MARSHALL BROWN. I just wanted to say a further word in regard to the remarks of my friend Mr. Gregory. I think I am in substantial accord with him in believing that the economic factor has not been absolutely the determining factor in all of the wars, or most of the wars. I think we are in great danger of laying too much stress on the influence of the economic factor in history and politics and morals, even. If I were going to criticize the book I referred to, by Mr. Weyl, he lays too much stress on the economic factor. And yet we must not ignore the fact that this economic factor looms very large with certain nations, notably Germany. Those of us who have been reading Rohrbach's book, and particularly Friedrich Neumann's book on *Middle Europe*, must realize that the necessity of self-sufficiency, from the economic point of view, looms very large in the minds at least of the Germans.

Furthermore, I think we ought to be prepared to recognize that you can strangle a country economically, as well as conquer it by force of arms.

Serbia has been in just such a situation. Someone has wittily remarked, referring to the chief export of Serbia, which, you will recall, is pork, that the most effective way for Austria to bring pressure to bear on Serbia was to mobilize its veterinarians, and that has happened. When Austria has wished to put great pressure on Serbia, she has found something the matter with Serbian pigs. Serbia has been bound to try to reach out and attain a certain measure of economic freedom, and you will remember that the nations of Europe in 1912 and 1913, when they felt compelled to deny Serbia the fruits of victory, the possession of a port on the Adriatic, — Durazzo, — felt compelled, however, to recognize the right of Serbia to what they called freedom of commercial access to the sea, thereby putting their stamp of approval upon this great basic principle of the necessity of freedom of trade or intercourse, or of regulating it.

Furthermore, if you will consider the situation of Hungary or Poland, I think you will appreciate that it will be very hard to bring about an independence of Hungary or Poland that does not have in it a recognition of their right to a certain amount of freedom of trade with the rest of the world; that any denial of those rights, either in the case of Hungary or Poland or Serbia, must constitute a certain menace to the independence of those nations, and therefore to their peace and the peace of the rest of the world.

MR. WALTER S. PENFIELD. Mr. Chairman, I had not expected to say anything when I came here this morning, but after hearing the remarks of Mr. Gregory and Mr. Brown, I think I would like to say a few words. I understood Mr. Gregory to say that he felt that wars were not brought about so much by economic rivalry, and he pointed to the fact of freedom of trade in Great Britain. I believe that there is a cause for wars in economic strife, but that it is not in regard to the protection of home trade, which Mr. Gregory would seem to intimate, but rather in regard to the development of foreign trade — the friction that exists between two countries which seek to develop business in a certain foreign country.

I am going to give you a concrete illustration, because, as a practicing lawyer, I am not bound to maintain any of my knowledge of our diplomacy, except such as any good American should maintain, for the sake of his government. It is a well known fact that the Germans for a number of years have been trying to develop a large export business to Haiti, and it is a well known fact that the naturalized Syrian-Americans went to Haiti and developed a large American business. We have been exporting down there about five million dollars worth of goods a year, all handled

by the Syrian-Americans, who naturally bought all the goods in this country. At the time when I was first brought into the matter, there were a German, and, I believe, a French bank, in Port-au-Prince. The Syrian not only sold his goods from New York through his commission merchants, to Syrian wholesale establishments in Port-au-Prince, but there the goods were resold to retail Syrian merchants, and, in turn, sold to peddlers, who peddled the island, and came into the competition of the Germans. That led the Haitian Government in 1904 to pass a law excluding the Syrians from Haiti, because, as they said, of the economic effect on their people; and when the United States protested against this exclusion law, the Haitian Minister here, Mr. Leger, a very clever diplomat, pointed out that we had a Chinese exclusion law, and that we excluded Chinese for the same reason, namely, because of the economic effect on our people.

Who can say to what extent the German Government was back of that exclusion law that was passed by the Haitian Government, because, if the German Government could keep the Syrians out of Haiti, it could kill at least five million dollars' worth of business a year from New York to Haiti. It is a well-known fact that the German bankers in Central America and Haiti, in cities especially where there are no American bankers, are perfectly willing to and do show the invoices and drafts of American merchants to the German merchants located in that city, so that the German merchant knows everything that the American merchant is doing, and is enabled to outbid him the next time that there is an opportunity to sell goods.

Now, what is the result of that little commercial friction that may exist between two dry goods companies of two nationalities in a third foreign country? It next affects the banks, and the first thing you know, these banks, perhaps to get railroad or mining concessions for their nationals, begin to promote revolutions and to finance governments. In the case of Haiti it is well known that the German Government was financing revolutions down there, and it is well known that one of the objects of the German Government was to get a naval concession at Mole St. Nicholas, and once they got a naval station there, it would endanger our enforcement of the Monroe Doctrine. If we had not gone in there and made a treaty with Haiti for ten years, whereby we police the island and put them on a sound financial basis, the chances are that Germany would be there to-day, and she would have a naval base, and our Monroe Doctrine would be in danger. If she were there to-day or if she had started to go in there, I firmly believe the United States would have made a strong diplomatic protest, especially if Germany had established a naval base there under a

concession from the Haitian Government, after the breaking out of the war in Europe in 1914. But perhaps Germany would have refused to give up her naval base in the Mole St. Nicholas, and that might possibly have resulted in war between the United States and Germany at that time.

I am speaking merely of possibilities, and especially of the possibility of the breaking out of war between the United States and Germany as the result of the German banker showing the invoices of American merchants to the German merchants. In other words, I do believe that commercial rivalry on a small scale between two foreign countries in a third foreign country may be the foundation upon which is built the steps that lead gradually to an international war, and anybody who is familiar with the history of some of the countries to the south of us, such as Mr. Brown, I believe will agree that there are possibilities there. Do you, Mr. Brown?

Professor BROWN. Yes; I do.

Mr. PENFIELD. There are possibilities, and I am giving you a concrete case which I think may interest you. I thank you.

The CHAIRMAN. Is there any further discussion?

Mr. JAMES BROWN SCOTT. Mr. Chairman, following the good example that you have set in venturing to address the meeting, I should like to make a few remarks upon this subject. It may well be that we give too much consideration to the mere matter of trade, and yet at the same time, we live by trade, and we think, and must necessarily think, and spend a very large portion indeed of our time, in thinking of those things which are to us as life itself, because they maintain life.

It may be true, as Mr. Gregory has stated, that a nation, in declaring war, will not ordinarily allege a desire for the trade markets of the world, or may not enumerate among the causes of war, commercial expansion; but it does not follow from this, that the hope of commercial expansion is not present, and that the desire to improve or increase trade has not been a very controlling motive in the war which has been declared. We know from history that the colonies in America were a source of war; we know that Europe trembled on the brink of a war in the Moroccan dispute, largely a matter of commerce, and we are perhaps justified in believing that, if the nations had not come together and agreed upon the opening up of Africa, the tragedies in America, caused more or less, as I believe, by commercial motives, would have been enacted, on even a larger scale in darkest Africa.

It is not for me, standing here, or, indeed, for any of us at present, to attempt to pierce below the surface and to lay bare the causes of the

present European War. If we try to do that, we naturally take sides, and our purpose here is not to criticize, but to elucidate. Nevertheless, it will perhaps be fair to suggest, Mr. Chairman, that there were very strong and controlling commercial reasons which suggested a certain form of foreign policy, without a careful understanding of which this great drama which is being enacted before our very eyes may appear to be a hopeless riddle.

I should like to call your attention, Mr. Chairman, to the fact, without dwelling upon it or entering into its intricacies, that for years past Germany has been interested in Asia Minor; has been interested in securing a right of way not merely from Kiel to Berlin and from Berlin through Vienna to the Baltic territories and across into Asia, but specifically a right of way through that portion of the world to the Persian Gulf by means of a Bagdad railroad. Such a road would have, indeed, strategic advantages, for it would separate England into two parts, driving a wedge, as it were, between Egypt, on the one hand, and India, on the other; but at the same time it would secure economic advantages to a nation which feels the need of commercial expansion, and which arrived, as has often been said, too late at the banquet of the nations.

What could be more attractive to a highly imaginative nature, and one to whom the past, particularly the classic past, is supposed to make an appeal, than by means of concessions and German intellect and efficiency to open up what we are led to believe was the cradle of the world, and the garden of Asia? In this very region, empires had their origin and industry and commerce were carried on dazzling us of to-day who are accustomed to large vistas and large horizons. How it must have appealed to the imagination of this emperor and his advisors, that by means of efficiency this vast region, now a desert, might be uncovered and again, as in the early days of civilization, made to blossom as the rose, and become the center of German activity, from which Germany was excluded in the world at large, because before its arrival the most attractive and richest portions of the world had already been appropriated.

Before we make up our minds as to the causes of this war, we must think very carefully of the Eastern situation, and of the immense economic advantages that would accrue to that nation which should acquire a right of way through that region, and which, by reason of its past, is justified in believing it might be developed into a great and glorious future.

But, leaving aside matters of that kind, I should like to come a little nearer home and ask your attention, sir, for a very brief moment, upon our own efforts in this matter. The Union of the States during the Revolutionary War was brought about and maintained by pressure from without.

After this pressure had been removed by successful war, and the independence of these States had become a fact, the need was felt of some understanding upon matters economic, and it is common knowledge to all of us present that the Confederation failed because the States were unwilling to adopt under the Confederacy an economic policy which would secure revenue for the government which had been established, and which would have allowed the free and untrammelled interchange of commodities. Trade was at the bottom — indeed, sir, trade is the foundation — of the present Constitution of the United States, of this more perfect Union, under which we live and prosper, because the convention which met in Annapolis in 1786 in order to secure some amendments to the Articles of Confederation, was called, not for sovereign purposes, not to safeguard the independence of the States, but for the express purpose of reaching an agreement upon the economic life of the peoples of these States, in order that the evils of the past might be corrected, and a policy, life-giving and prosperity-giving to the peoples, might be adopted. In the first instance it was the States interested in the Chesapeake and the Delaware that met there, and having come to the conclusion by their delegates that it was impossible to cure the evils, which were obvious to all, by amendments of the articles proposed by a few of the States, they urged the Congress of the Confederation to call a convention to meet in 1787 in Philadelphia, in order to modify the Constitution, so that it might safeguard the needs of the people of the States. In that constitutional convention it was not merely the question of sovereignty that was discussed; it was not merely the question of equality that was safeguarded. In addition, the economic relations of these States were considered, and an agreement reached which brought us together and has kept us together, notwithstanding politicians on both sides of Mason and Dixon's line.

Mr. Chairman, let me call your attention to one great crisis in that convention, the crisis concerning slavery. Slavery was an economic matter. Our Southern friends thought it was a necessity to have cheap labor, and the cheapest labor they could have was unrequited toil, the labor of the blacks. North Carolina, South Carolina, and Georgia made adherence to the more perfect union dependent upon the safeguarding of their economic rights in the matter of human slavery, and I refer particularly to this in order to reinforce the views of Professor Brown. If we must have economic relations, if they are to be considered — and we cannot have coöperation without them — we must see to it that these relations are just and fair in themselves; that they are regulated and controlled. This Union, which was brought about by the agreement upon this economic question,

almost went to pieces upon the rock of that agreement, because it was neither fair, it was neither just, it was neither economic; and by means of a Civil War of four years' duration, the economic mistakes and the economic fallacy, not to speak of the disregard of human rights, were wiped away in blood and the economic relations of the States put upon a proper basis.

But, Mr. Chairman, let me, finally, call your attention to another fact which does not concern human rights so much as the question of slavery. I think it will be clear to any casual reader of Madison's notes on the proceedings in the Federal Convention that the States whose delegates were preoccupied with the great empire which was to grow up to the west of us insisted that there should be no repetition of the injustice and inadequacy of the Confederation; that a State shut in by other States should not be deprived of its right to import commodities, or of its right to export commodities; that because of the geographical situation of one State it would not have to pay toll to the geography of another State for imports entering or exports leaving that community; that things hereafter going to New York should not pay toll in Newport or in Connecticut. Therefore, the express provision was adopted that no State in this more perfect Union should lay taxes or tolls upon commodities passing from one State to another, and that no State should lay a toll upon commodities leaving the territory of the Union or impose an import tax of any kind, unless such a tax should be necessary for the support of the port or the enforcement of its regulations.

Therefore, I think Professor Brown and Mr. Woolsey have the solid support of the experience of the people of the United States for their contention that any form of international organization in the future must see to it that the foundation and under pinning are correct, that there must be an agreement, either upon freedom of economic intercourse or for the safeguarding of economic interests; that the regulations for all must be devised for all, and if conceived in the interest of one, must be modified in such a way as to administer to the interests of all.

Without an understanding and a regulation of the economic intercourse of the world I believe federation is impossible, even if it were desirable; and coöperation, which seems to be the solution, is not to be dreamed of.

Mr. BERNARD C. STEINER. Mr. Chairman, and gentlemen. I have been emboldened by what has just been said by Mr. Scott, to refer to a few more instances in America's history, much less important than those to which he has just called our attention, but yet which seem to me as cor-

roborative of the position which he has taken, and, following the old maxim of Diodorus Siculus that history is philosophy teaching by example, they may give us a few more examples of the truth of the statement which is before us.

The first settlement on the Chesapeake Bay, above the present boundary of the State of Virginia, was a fur-trading post, established by William Claiborne, on Kent Island. When Lord Baltimore was granted the province of Maryland, Claiborne refused to attorn to him, and the first naval battle anywhere in the neighborhood of this state was in the Pocomoke River, in 1637.

We should not forget that it was only within a few years thereafter that one of the chief reasons why the New England Confederation kept together for a time the Colonies of Massachusetts, Plymouth, Connecticut and New Haven, was that the fur traders were endangered by the fur traders of New Netherlands, and we know that during the whole century that followed, the fact that the French wanted furs was a very decided and constant cause of friction between the English settlers along the Atlantic seaboard and the French settlers along the St. Lawrence River.

After the United States became a nation, largely through economic reasons, as has been called to our attention so well by Professor Scott, the first great annexation of territory to the United States, that of Louisiana, came about in very large measure because, without a commercial access to the sea, the people of the Mississippi Valley were so distressed for economic reasons that there was grave danger either that they would disunite themselves from our country, or that they would drag us into a war with Spain. We demanded a right of commercial deposit in New Orleans, and when Napoleon obtained possession of Louisiana, our administration sent word to our representatives in Paris, if it were possible in any way, to buy New Orleans, in order that this economic danger, this constant friction, this state of affairs which might lead to war, might come to an end.

It was only less than a decade after the annexation of Louisiana that we went to war with England, and the war cry was a very brief one of five words, "Free trade and sailors' rights." We meant by "free trade," Mr. Chairman, not what has been meant by England, but exactly what has been referred to by another speaker, the right of foreign trade, and the right to send out ships to other countries, without restrictions made outside of our boundaries and outside of the boundaries of the country with which we wished to carry on that trade.

The finale of one of the most dramatic scenes in the history of the last fifty years was when the danger of war between England and Germany, into

which war we might have been drawn, over the friction concerning trade in Samoa, was averted, and a condominium for a time was established, because of the great hurricane which drove the ships upon the beach there, near the place where Robert Louis Stevenson lived so long, and where he died.

These things occurred to me as I was sitting here, and they seemed to me to be illustrative of the conditions which bring about war.

Mr. SCOTT. You might further illustrate by showing the things that caused the present war.

Mr. STEINER. Those things we were discussing in general, but these other things seem to me to show that there has been that constant impending danger, from the time of the first settlement of the United States, down to the present day.

Mr. CHARLES S. BRAND. I only want to say a few words. We seem to be getting from this discussion the idea that this war is an economic one, at least, that its main basis is economic. I do not believe so. I believe it is essentially a dynastic war, such as almost all wars were until the early part of the nineteenth century. We have had any number of causes for war with England, but by peaceable means war was averted. England and France had a near clash, but because of their higher civilization and the lack of dynastic influences, there was no war. The Franco-Prussian War was dynastic. So was the Schleswig-Holstein War and the Austrian war. The development of Germany commercially and economically was not due to these wars.

Belgium is one-fifth the size of the State of New York. Twenty Belgiums could be carved out of the State of Texas, and yet the imports and exports of that little country, were, I think it was in 1910, over one-half of those of the United States and larger than those of either Russia or Italy. Territory was not necessary. Her people had the genius to develop the commercial possibilities of the country.

Bismarck and the great German statesmen and philosophers had this example of Belgium before them, and the example of Holland also. They knew that their claim for a place in the sun for Germany was a false one. These men were imbued with the idea that their people were endowed with the *kultur* which could make Germany a second Roman Empire, and that the other countries of the world would have to be made tributary to this *kultur*. (*Killtur* is a more appropriate word it seems to me.)

The idea I want to express is that this war is not an economic one. The markets of the world were open to Germany. She had the right,

and made use of it, to compete in British territory under the auspices of British fair and free trade, and if it had not been for the dynastic aspirations of Kaiser Wilhelm, his son, the Junkers and the military caste, there would be no war to-day and Germany would be sailing onward in that brilliant career which so rapidly advanced her from a low state of prosperity.

The CHAIRMAN. If there is no other speaker, we will adjourn until this afternoon at half-past two o'clock, in this place, when we will take up the subject of International Organization, Legislative and Judicial.

(Whereupon, at 12.30 o'clock P. M., a recess was taken until 2.30 o'clock P. M. of the same day at the same place.)